United Nations S/2002/797

Security Council

Distr.: General
19 July 2002

Original: English

Letter dated 18 July 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 12 April 2002 (S/2002/460).

The Counter-Terrorism Committee has received the attached supplementary report from Pakistan, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you could arrange for this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning countner-terrorism

02-50547 (E) 300802

Annex

Letter dated 11 July 2002 from the Permanent Representative of Pakistan to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

With reference to your letter dated 18 April 2002, I am enclosing additional information sought by the Counter-Terrorism Committee pursuant to paragraph 6 of Security Council resolution 1373 (2001).

(*Signed*) Munir **Akram**

Enclosure

Additional information requested by the Chairman of the Counter-Terrorism Committee

Sub-paragraph 1(a)

Q.1 Could Pakistan please outline the legislation and procedures which exist for the monitoring, by banks and other intermediaries operating in the main financial sector, of suspicious financial transactions, in addition to the recent State Bank regulations related to the US terrorists lists.

A.1 The following legislation and procedures exist for monitoring by banks of suspicious financial transactions:

I. State Bank of Pakistan – Prudential Regulation XII

State Bank of Pakistan (SBP) which is the Central Bank of the country has been entrusted with the responsibility for an ongoing effective supervision of the financial sector. The relevant provisions of law which vest powers in State Bank of Pakistan (SBP) to carry out inspection of banks are contained in the Banking Companies Ordinance (BCO), 1962. Under Section 40(A) of the said Ordinance it is the responsibility of State Bank to systematically monitor the performance of every banking company to ensure its compliance with the statutory criteria, and banking rules & regulations.

The State Bank has framed Prudential Regulations for banks, which present a prudent operating framework within which banks are expected to conduct their business in a safe and sound manner taking into account the risks associated with their activities. These Regulations are issued under Section 41 of the BCO and have the force of law. Prudential Regulation XII requires banks to monitor suspicious financial transactions as follows:

a) Before extending banking services, bank shall make reasonable efforts to determine the true identity of customers. Particular care should be taken, to identify ownership of all accounts and those using safe-custody facilities. Effective procedures should be instituted for obtaining identification from new customers. An explicit policy should be devised to ensure that significant business transactions are not conducted with customers who fail to provide evidence of their identity.

b) Banks shall ensure that banking business is conducted in conformity with high ethical standards and that banking laws and

regulations are adhered to. Banks should not set out to offer services or provide active assistance in transactions, which in their opinion are associated with money derived from illegal activities.

c) Specific procedures be established for ascertaining customer's status and his source of earnings, for monitoring of accounts on a regular basis, for checking identities and bonafides of remitters and beneficiaries, for retaining internal record of transactions for future reference. The transactions which are out of character with the normal operation of the account involving heavy deposits/withdrawals/transfers should be viewed with suspicion and properly investigated.

d) For an effective implementation of banks' policy and procedures, suitable training be imparted to members of staff and they be informed of their responsibility in this regard.

e) Banks may make arrangements for setting up an Internal Audit System in order to establish an effective means of testing/checking and compliance with the Bank Policy and procedures established by it.

II. THE ANTI MONEY LAUNDERING AND TERRORIST FINANCING LAW:

The proposed draft law on Anti Money Laundering has a very broad scope, covering money laundering as well as terrorist financing. The law aims at setting up a National Financial Intelligence Centre (NFIC), which will be headed by a Director-General, appointed by the President of Pakistan. It will operate under the general supervision of the Minister of Finance. NFIC will exercise independent decision-making authority on day-do-day matters and will have the following functions:

- Act as an intermediary/buffer between the financial institutions, which will be required to file Suspicious Activity Reports (SAR) and the police who will be investigating the reports.

- Once the NFIC receives a Suspicious Activity Report (SAR) from the banks and other financial institutions it will collect other information from the government as necessary to determine whether the SAR should be turned over to the Federal Investigation Agency (FIA), National Accountability Bureau (NAB) or Anti Narcotics Force (ANF), for further investigation.

- NFIC will have the authority to share and receive information from other financial intelligence units around the world; and will represent Pakistan in money laundering related international meetings.

- It will be a criminal offence punishable by a maximum of five years imprisonment for anyone working in NFIC or having access to its information to pass it on to anyone not authorized to receive it.

Q.2 Are financial intermediaries outside the main financial sector (e.g. lawyers) required to report suspicious transactions to the public authorities? If so, what penalties apply if such persons omit to report either willfully or negligence? Have any penalties already been imposed?

A.2 The concept of Privileged Communication between a lawyer and a client serves as the basis of judicial propriety the world over. At present there are no laws in Pakistan requiring lawyers to report suspicious transactions to public authorities.

Q.3 Do the regulations issued by the State Bank of Pakistan have the force of law?

A.3 Yes. Prudential Regulations are issued under Section 41 of the Banking Companies Ordinance 1962, and have the force of law.

Q.4 When is the Working Group mentioned in the report expected to deliver its proposals to the Government? The CTC would be grateful for an update on the report when it issues.

A.4 The Working Group has submitted a draft law on Money Laundering and Terrorist Financing to the Government. The draft law is being examined by the Government and will be promulgated after due process.

Q.5 When is the draft legislation based on the FATF recommendations expected to be presented to the Parliament? Please outline the content of the law.

A.5 As stated above the draft law on Money Laundering and Terrorist Financing, which is based on the FATF recommendations, has been submitted to the Government. The draft law is being examined by the Government and will be promulgated after due process.

Some of the salient features of the draft law are as under:

- The draft law represents a compendium of items drawn from UN Conventions, model laws, the Core Principles (CPs) for effective Banking Supervision developed by the Basel Committee on Banking Supervision, the FATF Recommendations and several individual country laws.

- The draft law has been designed to encompass the laws necessary to meet international standards.

- In addition to legal and natural persons, the law applies to 12 different types of financial institutions or operations.

- The law defines the offence of terrorist financing and makes it a predicate offence for purposes of money laundering.

- The National Accountability Bureau (NAB), the Federal Investigation Agency (FIA) and the Anti-Narcotics Force (ANF) will be legally authorized to investigate and prosecute money-laundering offences in the special courts of those agencies.

- The Attorney General of Pakistan, the Governor of the SBP and the Chairman of the Securities and Exchange Commission of Pakistan (SECP), will also have significant responsibilities under the law.

- The law proposes to set up a National Financial Intelligence Centre (NFIC), which will be headed by a Director-General, appointed by the President of Pakistan. It will operate under the general supervision of the Minister of Finance. NFIC will exercise independent decision-making authority on day-do-day matters. (For details of NFIC, see A.1).

- The Governor of the State Bank and the Chairman of the SECP will issue rules and regulations to all the financial institutions under their control, regarding minimum standards for all customer identification, and scrutiny of high risk accounts like politically exposed persons ("PEPS"); and to satisfy themselves about the source of the funds and identity of the beneficial owners of the funds before opening or maintaining accounts. In the event that the financial institution does not receive appropriate information, it must close the suspect account.

- The financial institutions will take special measures regarding the originators of wire transfers in and out of Pakistan and set up special anti- money laundering programs.

- Charities will be required to maintain bank accounts and disburse funds through cheques or wire transfers, for knowing how the funds have been spent and the purpose for which they have been spent. Periodic field audit will be conducted for verifying the accounts of the charities.

- All financial institutions will be required to make Suspicious Activity Reports (SARs) regarding their customers. They must file the reports when there is an attempted or completed transaction which they know, suspect, or have reason to believe, it involves the proceeds of crime, appears designed to evade the SBP regulations or requirements of the law, has no apparent economic purpose, or is not consistent with the customer's normal activities.

- The law authorizes criminal forfeiture against specific tainted properties, against substitute assets if that property is not available or for the entry of a money judgment against the defendant.

- The law authorizes civil forfeiture against properties involved in offences where the defendant has died, absconded, or is otherwise unavailable for prosecution.

Subparagraph 1(b):

Q.6 Please outline the provisions existing in Pakistan for the suppression of the financing of terrorism. Please also report on the progress and content of the "new legal framework" issued by the Government of Pakistan.

A.6 The following provisions exist in Pakistan for suppressing the financing of terrorism:

Anti Terrorism Act 1997

The Anti Terrorism Act 1997, contains the following provisions for suppressing the financing of terrorism (copy enclosed):

- Section 2(aa) gives a definition of "terrorist property".

- Section 11E(2) requires Proscribed Organization to submit all accounts of its income and expenditure for its political and social welfare activities and disclose all funding sources to the competent authority designated by the Federal Government.

- Section 11F(5) makes it an offence for a person to solicit, collect or raise funds for a proscribed organization.

- Section 11H to 11K specifically criminalize various forms of terrorism' financing, including directly and indirectly, inciting others to finance and aiding and abetting. The text is as under:

Section 11H:

(1) A person commits an offence if he:

(a) invites another to provide money or other property; and

(b) intends that it should be used, or has reasonable cause to suspect that it may be used, for the purpose of terrorism.

(2) A person commits an offence if:

(a) he receives money or other property, and
(b) intends that it should be used, or has reasonable cause to suspect that it may be used, for the purposes of terrorism.

(3) A person commits an offence if he:

(a) provides money or other property, and

(b) knows or has reasonable cause to suspect that it will or may be used for the purposes of terrorism.

(4) In this section a reference to the provision of money or other property is a reference to its being given, lent or otherwise made available, whether or not for consideration.

Section11I:

A person commits an office if –

(1) he uses money or other property for the purposes of terrorism; or

(2) he –

(a) possesses money or other property; and

(b) intends that it should be used, or has reasonable cause to suspect that it may be used, for the purposes of terrorism.

Section 11J:

A person commits an offence if he –

(a) enters into or becomes concerned in an arrangement as a result of which money or other property is made available or is to be made available to another, and

(b) has reasonable cause to suspect that it will or may be used for the purposes of terrorism.

Section 11K:

(1) A person commits an offence if he enters into or becomes concerned in any arrangement which facilitates the retention or control, by or on behalf of another person, of terrorist property:

(a) by concealment;

(b) by removal from the jurisdiction;

(c) by transfer to nominees, or

(d) in any other way.

(2) It is a defence for a person charged with an offence under sub-section (1) to prove that he did not know and had no reasonable cause to suspect that the arrangement related to terrorist property.

Draft Law On Money Laundering And Terrorist Financing:

As discussed in answers to Subparagraph 1, the draft law also contains provisions for monitoring of funds of charities and others for preventing any terrorist financing.

Q.7 Could Pakistan please provide information on any successful prosecutions involving the provision of financial assistance for the carrying out of terrorist acts, whether within or outside the territory of Pakistan.

A.7 The Anti-terrorist Courts established under the Anti Terrorism Act 1997, started function in Punjab and Sindh Provinces since 24th March, 2002. Out of 89 terrorist cases notified for priority hearing, 47 cases have been disposed off with conviction in 28 cases. Details with regard to forfeiture of assets for carrying out terrorist acts are as under:

i. Rawalpindi Court No. 1, FIR No. 639/98, Police Station Wah Cantt, State Vs Aurangzeb etc. Case finalized on 25 April 2002.

ii. Rawalpindi Court No. 2, FIR No. 104/2000, Police Station Airport Rawalpindi, State Vs Muhammad Rawab etc. Case finalized on 4 June 2002.

iii. Rawalpindi Court No. 2, FIR No. 82/99 Police Station Chotala, District Jhelum, State Vs Khalid Mahmood etc. Case finalized on 21 June 2002.

Sub-paragraph 1 (c):

Q.8 Does Pakistan have any generally applicable procedures for the freezing and provisional seizure of funds and assets likely to be used in the commission of offences relating to terrorism and its financing? When answering this question, please distinguish between seizures occurring in the course of investigations and confiscations ordered upon sentencing. Please also outline the procedures, which pertain to the provision of support within Pakistan to acts of terrorism carried out or proposed to be carried out elsewhere.

A.8 Legislation and procedures for freezing and provisional seizure of funds and assets

The following legislation and procedures exist for freezing and provisional seizure of assets:

State Bank of Pakistan

The State Bank of Pakistan issues directives/advisories to banks/NBFIs for freezing of accounts in compliance with UN Security Council resolutions. All Banks and NBFIs are advised to confirm compliance with the instructions of SBP.

Any bank/NBFI found violating regulations, rules of business and directives is penalized. Violation may also lead to calling of explanation from the Chief Executive/President of banks/NBFIs and initiation of administrative and legal action against violators.

Anti Terrorism Act 1997

The Anti Terrorism Act 1997 contains the following provisions for provisional seizure of assets likely to be used in the commission of offences relating to terrorism and its financing:

Section110:
An officer authorized by the Provincial Government in this behalf, hereinafter referred to as the "authorized officer", may seize and detain any cash recovered, if he has reasonable grounds for suspecting that:

(a) it is intended to be used for the purposes of terrorism;

(b) it forms the whole or part of the resources of a proscribed organization, and includes any cash which is applied or made available, or is to be applied or made available, for use by the organization whether being imported into, or exported from, Pakistan; or

(c) it is terrorist property within the meaning given in section 2 (aa):

Provided that any cash seized under this section shall be released not later than the end of the period of 48 hours beginning with the time when it is seized, unless an application has been made to the court under section 11P and an order has been obtained for its detention for a further specified period.

Section 11P

Allows the authorized officer to obtain an order from the court for further detention of the cash pending completion of an investigation of its origin or derivation.

Legislation and procedure for forfeiture of assets

The Anti Terrorism Act 1997 contains the following provisions for forfeiture of assets after the conviction of an offence relating to terrorism:

Section 11Q

(1) The Court by or before which a person is convicted of an offence under any of the sections 11H to 11M may make a forfeiture order in accordance with the provisions of this section.

(2) Where a person is convicted of an offence under section 11H (1) or (2) or section 11-I, the Court may order the forfeiture of any money or other property:

(a) which, at the time of the offence, he had in his possession or under his control; and

(b) which, at that time, he intended should be used, or had reasonable cause to suspect might be used, for the purposes of terrorism.

(3) Where a person has been convicted under Section 11H(3), the court may order the forfeiture of any money or other property:

(a) which, at the time, of the offence, he had in his possession or under his control, and

(b) which, at the time he knew or had reasonable cause to suspect would or might be used for the purposes of terrorism.

(4) Where a person is convicted of an offence under section 11J, the court may order the forfeiture of the money or other property:

(a) to which the arrangement in question related; and

(b) which, at the time of the offence, he knew or had reasonable cause to suspect would or might be used for the purposes of terrorism.

(5) Where a person is convicted of an offence under section 11K, the court may order the forfeiture of the money or other property to which the arrangement in question related.

(6) Where a person is convicted of an offence under any of the sections 11H to 11K, the Court may order forfeiture of any money or other property which wholly or partly, and directly or indirectly, is received by any person as a payment or other reward in connection with the commission of the offence.

Prevention of support within Pakistan to acts of terrorism proposed to be carried out elsewhere

Section 11V of the Anti Terrorism Act 1997 read with Section 4 of the Pakistan Penal Code (PPC) and Section 188 of the Criminal Code of Pakistan (CrPC) prevent support within Pakistan to acts of terrorism

carried out or proposed to be carried out elsewhere. The texts of the relevant provisions is as under:

Section 11V

(1) A person commits an offence if he:

(a) directs, at any level, whilst resident in Pakistan or abroad, activities of an organization concerned with the preparation, instigation or commission of acts of terrorism; or

(b) directs, from within the country or abroad, activities connected with the commission, preparation or investigation of an act of terrorism.

(2) A person guilty of an offence under sub-section (1) shall be liable on conviction to imprisonment for a maximum term of seven years and to forfeiture or confiscation of his assets within or outside Pakistan.

Section 4 of PPC

Extension of code to extra-territorial offences.

The provisions of this code apply also to any offence committed by:

1. any citizen of Pakistan or any person in the service of Pakistan in any place without and beyond Pakistan;

2. Any person on any ship of aircraft registered in Pakistan wherever it may be.

Explanation. In this section the word "offence" includes every act committed outside Pakistan which, if committed in Pakistan, would be punishable under this Code.

Section 188 of CrPC

Liability for offences committed outside Pakistan.

When a citizen of Pakistan commits an offence at any place without and beyond the limits of Pakistan, or

when a servant of the State (whether a citizen of Pakistan or not) commits an offence in (a tribal area,) or

when any person commits an offence on any ship of aircraft registered in Pakistan wherever it may be,

he may be dealt with in respect of such offence as if it had been committed at any place within Pakistan at which he may be found:

Provided further that any proceedings taken against any person under this section which would be a bar to subsequent proceedings against such person for the same offence if such offence had been committed in Pakistan shall be bar to further proceedings against him under the Extradition Act 1972, in respect of the same offence in any territory beyond the limits of Pakistan.

Q.9 Could Pakistan please indicate how these procedures are carried out. Please describe the role of responsible authorities or institutions.

A.9. Pakistan is a Federation comprising of Provinces. In this federal setup the responsibility for maintenance of law and order rests with the Provincial Governments.

The Ministry of Interior, at the Federal level, issues broad policy guidelines and conveys the decisions of the Federal Cabinet. Provincial Governments are responsible for maintaining law and order in consultation with the Ministry of Interior. Field formations evolve independent strategies to combat acts of terrorism under the supervision of Inspectors General of Police, heading the Provincial Police Departments and the Provincial Home Departments.

The Federal Government determines the effectiveness of the policy after receiving inputs from Provincial Governments and Agencies.

Q.10 Does Pakistan have any provisions for regulating alternative money transfer agencies such as the 'Hawalah' system? Please outline these provisions.

A.10 The private foreign exchange and money changing business is being taken care of by introduction of Exchange Companies. A draft Ordinance to amend the Foreign Exchange Regulation Act 1947 is being prepared.

The main objective behind the formulation of Exchange Companies is to provide a proper corporate structure to the money changing business in the country, while ensuring that various types of risks associated with this business are properly addressed. Another objective

is to get all money changing and remitting transactions fully documented.

Salient features of the proposed Ordinance are as follows:

- Definition of Exchange Companies.
- Description of Exchange Companies' scope of dealing/business.
- Restriction on Money Changers to deals only in foreign currency notes and coins.
- Exchange Companies to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travelers cheques and transfers.
- Exchange Companies to have certain minimum paid-up capital requirement with mandatory SLR.
- Exchange Companies to observe Exposure Limits specified by State Bank.
- Each Director of an Exchange Company to meet the eligibility criteria specified by State Bank.
- Transactions of the Exchange Companies to be fully documented.
- Exchange Companies to report their transactions to State Bank in the form of periodic returns.

Sub-paragraph 1(d):

Q.11 Please outline the preventive controls and surveillance measures which ensure that funds received by charitable, religious or cultural organizations are not diverted from their stated purpose to terrorist activities.

A.11 The following provisions exist for preventive controls and surveillance measures, for ensuring that funds received by charitable, religious or cultural organizations are not diverted from their stated purpose to terrorist activities.

Anti Terrorism Act 1997

Sections 11H to 11K of the Anti Terrorism Act 1997, serve to specifically criminalize various forms of terrorism financing, including

directly and indirectly, inciting others to finance and aiding and abetting (details have been given in the reply to question 6).

Anti Money Laundering and Terrorist Financing Law

Under the proposed Anti Money Laundering and Terrorist Financing Law, Charities will be required to maintain bank accounts and disburse funds through cheques or wire transfers, for knowing how the funds have been spent and the purpose for which they have been spent. Periodic field audit will be conducted for verifying the accounts of the charities.

Madresah Ordinance

The Federal Cabinet approved the promulgation of 'Madresah Registration Ordinance 2002' on 20 June 2002 to bring the country's religious schools (madresahs) under a regulatory framework. The ordinance contains the following provisions for monitoring the funds of the madresahs:

- Every registered madresah will be required to maintain accounts and submit annual report to the respective board.
- Registered madresahs shall not receive any grant donation or aid from any foreign source or allow admission to foreign students or make appointment of teachers without valid work visa and NOC from the Ministry of Interior.

Q.12 Please outline in more detail Pakistan's anti-terrorist legislation and provide copies of the relevant texts, including, in particular, the Anti-terrorism Act of 1997. Please make clear, in particular, what types of acts preparatory to an act of terrorism are criminalized by laws of Pakistan, and outline these laws.

A.12 Copy of the Anti Terrorism Act 1997 is enclosed.

The following acts of terrorism have been criminalized in the Anti Terrorism Act 1997:

- Section 6

  (1) In this Act, "terrorism" means the use or threat of action where:

  a) the action falls within the meaning of sub-section (2), and

b) the use of threat is designed to coerce and intimidate or overawe the Government or the public or a section of the public or community or sect or create a sense fear or insecurity in society; or

c) the use of threat is made for the purpose of advancing a religious, sectarian or ethnic cause.

(2). An "action" shall fall within the meaning of sub-section (1), if it:

a) involves the doing of anything that causes death;

b) involves grievous violence against a person or grievous bodily injury or harm to a person;

c) involves grievous damage to property;

d) involves the doing of anything that is likely to cause death or endangers a person's life;

e) involves kidnapping for ransom, hostage-taking or hi-jacking;

f) incites hatred and contempt on religious, sectarian or ethnic basis to stir up violence or cause internal disturbance;

g) involves stoning, brick-batting or any other form of mischief to spread panic;

h) involves firing on religious congregations, mosques, 'imambargahs', churches, temples and all other places of worship, or random firing to spread panic, or involves any forcible takeover of mosques or other places of worship;

i) creates a serious risk to safety of the public or a section of the public, or is designed to frighten the general public and thereby prevent them from coming out and carrying on their lawful trade and daily business, and disrupts civic life.

j) involves the burning of vehicles or any other serious form of arson;

k) involves extortion of money ("bhatta") or property;

l) is designed to seriously interfere with or seriously disrupt a communications system or public utility service;

m) involves serious coercion or intimidation of a public servant in order to force him to discharge or to refrain from discharging his lawful duties; or

n) involves serious violence against a member of the police force, armed forces, civil armed forces, or a public servant.

(3) The use or threat of use of any action falling within sub-section (2) which involves the use of firearms, explosives or any other weapon is terrorism, whether or not sub-section 1(c) is satisfied.

(4) In this section "action" includes an act or a series of acts.

(5) In this Act, terrorism includes any act done for the benefit of a proscribed organization.

(6) A person who commits an offence under this section or any other provision of this Act, shall be guilty of an act of terrorism.

(7) In this Act, a "terrorist" means:

a) a person who has committed an offence of terrorism under this Act, and is or has been concerned in the commission, preparation or instigation of acts of terrorism:

b) a person who is or has been, whether before or after the coming into force of this Act, concerned in the commission, preparation or instigation of acts of terrorism, shall also be included in the meaning given in clause (a) above.

- Section 11F makes it an offence for a person to be a member of a proscribed organization; solicit support; attend, arrange, manage or address meetings; and raise funds for that organization.

- Section 11G makes it an offence to wear, carry, display, any article, symbol, flag or banner and uniform connected with a proscribed organization.

- Sections 11H to 1K of the Anti Terrorism Act 1997, serve to specifically criminalize various forms of terrorism financing, including directly and indirectly, inciting others to finance and aiding and abetting (details have been given in the reply to question 6).

- Section 11V makes the directing of an act of terrorism an offence. The text of the section is as follows:

  (1) A person commits an offence if he:

  a) directs, at any level, whilst resident in Pakistan or abroad, activities of an organization concerned with the preparation, instigation or commission of acts of terrorism; or

  b) directs, from within the country or abroad, activities connected with the commission, preparation or investigation of an act of terrorism.

  (2) A person guilty of an offence under sub-section (1) shall be liable on conviction to imprisonment for a maximum term of seven years and to forfeiture or confiscation of his assets within or outside Pakistan.

- Section 21C makes it an offence to provide or receive training in the making or use of firearms, explosives or chemical, biological and other weapons and provide or receive training in acts of terrorism.

- Section 21I makes it offence to aid or abet any offence under this Act.

- Section 21J makes it offence to harbour any person who committed an offence under this Act.

Q.13 Could Pakistan please describe in more detail how the Anti-terrorism Act is implemented in practice and the manner in which it contributes to full compliance with the Resolution.

A.13 Covered in the reply of Q.9.

Q.14 Please outline the measures, both legislative and practical, preventing entities and individuals from recruiting, collecting funds or

soliciting other forms of support for terrorist activities to be carried out inside or outside Pakistan, including, in particular:

- The carrying out, within or from Pakistan, of recruiting collecting of funds and soliciting of other forms of support from other countries; and

- Deceptive activities such as recruitment based on a representation to the recruit that the purpose of the recruitment is one (e.g. teaching) different from the true purposes and collection of funds through front organizations.

A.14 Covered in replies to questions 5, 6, 8, 11 and 12.

Sub-paragraph 2 (a):

Q.15 Please outline in more detail Pakistan's legislation aimed at prohibiting the establishment of paramilitary groups that have the potential to engage in terrorist activities either inside or outside Pakistan. Please also outline any legislation aimed at prohibiting or limiting the acquisition or possession of weapons both within and outside Pakistan.

A.15 The following provisions of the Anti Terrorism Act 1997 are aimed at organizations concerned with terrorism:

- Section 11A outlines the following acts for which the organization is concerned with terrorism:

  a) commits or participates in acts of terrorism;

  b) prepares for terrorism;

  c) promotes or encourages terrorism;

  d) supports and assists any organization concerned with terrorism;

  e) patronizes and assists in the incitement of hatred and contempt on religious, sectarian or ethnic lines that stir up disorder;

  f) fails to expel from its ranks or ostracize those who commit acts of terrorism and presents them as heroic persons; or

  g) is otherwise concerned in terrorism.

- Section 11B allows the Federal Government to proscribe an organization concerned with terrorism.

- Section 11D allows the Federal Government to place an organization under observation where it has reason to believe that it is concerned with terrorism.

The Pakistan Arms Ordinance is aimed at controlling the sale, transport, bearing or possession of arms, ammunition or military stores.

Sub-paragraph 2 (b):

Q.16 Please report on progress with the implementation of the "Action Plan" recently adopted by the Federal Cabinet in order to prevent sectarian violence in Pakistan.

A.16 The following progress has been achieved on the implementation of the "Action Plan":-

- Seven sectarian militant organizations have been proscribed and one kept on watch list.

- A total number of 2167 activists belonging to 6 extremist religious organizations/proscribed organizations were arrested.

- 624 offices of these organizations have been sealed.

- Subsequent to the Karachi bomb blast incident of 8th May 2002, a crack down was launched against the proscribed militants in which 411 activists were apprehended by Provincial Governments, taking the total figure of arrested activist to 2578.

Q.17 Does Pakistan have a body that specializes in counter-terrorism, or is that the responsibility of a number of departments or agencies? In the latter case, how is co-ordination between the various entities effected?

A.17 Pakistan is a Federation comprising of Provinces. In this federal setup the responsibility for maintenance of law and order rests with the Provincial Governments.

The Ministry of Interior, at the Federal level, issues broad policy guidelines and conveys the decisions of the Federal Cabinet. Provincial Governments are responsible for maintaining law and order in consultation with the Ministry of Interior. Field formations evolve independent strategies to combat acts of terrorism under the supervision

of Inspectors General of Police, heading the Provincial Police Departments and the Provincial Home Departments.

The Federal Government determines the effectiveness of the policy after receiving ihputs from Provincial Governments and Agencies.

Q.18 Does each agency define its strategy independently, or does it carry out measures that have been established at a high level? Who determines that policy and, if applicable, the distribution of tasks among agencies?

A.18 Covered in the reply to question 17.

Q.19 Besides exchanges of information, are other steps being taken to prevent the commission of terrorist acts in accordance with the Resolution?

A.19 Yes. These include border control measures, check on financing, denial of safe heaven, etc., as conveyed vide Pakistan's main report and this supplementary report.

Q.20 Please describe any mechanism aimed at providing early warning to other countries on terrorist acts that could be committed in the countries concerned.

A.20 Pakistan exchanges information with countries having extradition treaties with Pakistan. As a coalition partner Pakistan is exchanging information with other coalition member countries.

Sub-paragraph 2(c)

Q.21 Please outline the main provisions of Pakistan's legislation relating to immigration control and the granting of the right of asylum, and indicate the means for preventing criminal groups abusing those provisions. Please also outline the conditions for the issuance of identity documents, particularly passports, to aliens.

A.21 The following provisions of the Foreigners Act, 1946 deal with immigration control:

Section 3 of the Act empowers the Government to make provisions for prohibiting, regulation or restricting the entry of foreigners into Pakistan, or their departure there from or their presence or continued presence therein. The orders provide that a foreigner:

a) shall not enter Pakistan or shall enter Pakistan only at such times and by such route and at such port or place and subject to the observance of such conditions on arrival as may be prescribed;

b) shall not depart from Pakistan or shall depart only at such times and by such route and from such port or place and subject to the observance of such conditions on departure as may be prescribed;

c) shall not remain in Pakistan, or in any prescribed area therein;

d) shall remove himself to, and remain in, such area in Pakistan as may be prescribed;

e) shall comply with such conditions as may be prescribed or specified—

i) requiring him to reside in a particular place;

ii) imposing any restriction on his movements;

iii) requiring him to furnish such proof of his identity and to report such particulars to such authority in such manner and at such time and place as may be prescribed or specified;

iv) requiring him to allow his photograph and finger-impressions to be taken and to furnish specimens of his handwriting and signature to such authority and at such time and place as may be prescribed or specified;

v) requiring him to submit himself to such medical examination by such authority and at such time and place as may be prescribed or specified;

vi) prohibiting him from association with persons of a prescribed or specified description;

vii) prohibiting him from engaging in activities of a prescribed or specified description;

viii) prohibiting him from using or possessing prescribed or specified articles;

ix) otherwise regulating his conduct in any such particular as may be prescribed or specified;

f) shall enter into a bond with or without sureties for the due observance of or as an alternative to the enforcement of any of all prescribed or specified restrictions or conditions;

g) shall be arrested and, in the interest of the security of Pakistan, detained or confined.

Sections 3 & 20 of the Pakistan Citizenship Act, 1951 outline those persons who can become citizens of Pakistan.

Section 3 of the Naturalization Act 1926, lists the persons who are eligible to become citizens of Pakistan by naturalization. The text of the section is as follows:

Section 3.-(1) The (Federal Government) may grant a certificate of naturalization to any person who makes an application in this behalf and satisfies the (Federal Government)-

(a) that he is not a minor ,

(b) that he is neither a citizen of Pakistan nor a subject of any state of which a citizen of Pakistan is prevented by or under any law from becoming a subject by naturalization;)

(c) that he has resided in Pakistan throughout the period of twelve months immediately preceding the date of the application, and has, during the seven years immediately preceding the said period of twelve months, resided in Pakistan for a period of amounting in the aggregate to not less than four years;)

(d) that he is of good character;

(e) that he has an adequate knowledge of a language which has been declared by the (Federal Government) by notification in the (official Gazette,) to be (one of the principal vernaculars of Pakistan); and

(f) that he intends, if the application is granted, to reside in (Pakistan) or to enter or continue in the service of the (State) (in Pakistan):

Provided that nothing in clause (e) or clause (f) shall apply in the case of a woman who was a (citizen of Pakistan) previously to her marriage to a person not a (citizen of Pakistan) and whose husband has died or whose marriage has been dissolved.

(2) Nothing in this section shall be deemed to prevent the grant of a certificate of naturalization to any person to whom a certificate of naturalization has been issued under the Indian Naturalization Act, 1852).

Q.22 Does the legislation apply to all terrorist groups and individuals or only those mentioned in the report?

A.22 The legislation mentioned in the previous question applies to all foreigners.

Sub-paragraph 2 (d):

Q.23 Does the Anti-terrorism Act specifically prohibit Pakistan territory from being used as a base for terrorist acts outside Pakistan?

A.23 Yes. The relevant provisions have been discussed in the previous questions.

Sub-paragraph 2 (e):

Q.24 What is the extent of the competence of the courts of Pakistan to deal with terrorist acts, or preparations for terrorist acts, that occur outside its territory?

A.24 The relevant provisions dealing with the competence of Pakistani courts are as follows:

Pakistan Penal Code

Section 3. Punishment of offences committed beyond, but which by law may be tried within Pakistan.

Any person liable, by any Pakistani Law, to be tried for an offence committed beyond Pakistan shall be dealt with according to the provisions of this Code for any act committed beyond Pakistan in the same manner as if such act had been committed within Pakistan.

Q.25 Are the relevant provisions of the Penal Code of Pakistan applicable in all of the following circumstances:

- Acts committed outside Pakistan by a person who is a citizen of, or habitually resident in, Pakistan (whether that person is currently present in Pakistan or not);

- Acts committed outside Pakistan by a foreign national who is currently in Pakistan?

A.25 Yes, Section 3 of PPC covers both situations. This section has been reproduced above.

Sub-paragraph 2 (g):

Q.26 How does Pakistan secure its extensive borders against unauthorized crossings?

A.26 Pakistan secures its borders through its Border Security Force, Levies, Anti Narcotics Force, Rangers, Frontier Corps and the Armed Forces (Each agency is regulated by its respective laws).

Following the terrorist attacks of 11 September 2001, security measures and border controls along the Pakistan-Afghanistan border have been tightened. Entry of foreigners is being strictly regulated through visas issued by Pakistan Embassies.

In case of suspicion, foreign nationals arriving in Pakistan are directed to report to nearest Foreigners Registration Office for registration as provided in the registration of Foreigners Rules. A stamp to this effect is affixed on their passports. They are also required to obtain exit permit from the Foreigners Registration Office before leaving the country. Such persons are subjected to strict scrutiny at airports at the time of departure.

Special Procedures to deal with persons arriving from Afghanistan

In order to prevent illegal border crossings along the Pakistan-Afghanistan border, Joint Interrogative Teams (JIT) have been set up and Standing Operating Procedures have been instituted. These measures are designed to arrest and detain criminals wanted under national and international law. Home Departments of the NWFP and Baluchistan Provinces are maintaining records of all foreigners as well as Pakistanis returning from Afghanistan.

In addition to these measures, regular troops have been deployed along the Pakistan-Afghanistan border and air surveillance is being carried out to prevent the entry into Pakistan of any terrorist from Afghanistan.

Q.27 Please provide information on the mechanism for inter-agency co-operation between the federal and provincial authorities responsible for

narcotics control, financial tracking and security with particular regard to the border controls preventing the movement of terrorists.

A.27 A National Crisis Management Centre (NCMC), fully equipped with telephones, faxes, and computers, has been established in the Ministry of Interior. The Provincial Governments have also set up similar Crisis Management Centres. The Federal and the Provincial Crises Management Centres have been interlinked for round the clock collection and collation of information of all incidents occurring in any part of the country and reporting to the higher authorities. The coordination agencies are Crime Investigation Departments, Intelligence Agencies, Frontier Corps, Rangers and Anti Narcotics Force.

Sub-paragraph 3 (b):

Q.28 Does Pakistan have any legislation for providing mutual assistance to other countries in relations to criminal investigations and judicial proceedings? Please outline any relevant provisions.

A.28 Yes, Pakistan is a signatory of Extradition Treaties with 27 countries under which there are provisions for mutual assistance in relation to criminal investigation and judicial proceedings.

Q.29 To what types of bilateral or multilateral agreements in the field of judicial assistance and extradition is Pakistan a party? What are the legal procedures required by Pakistan for the execution of a request by another country for assistance or extradition?

A.29 As stated above Pakistan is a signatory of Extradition Treaties with 27 countries, in which there are provisions for judicial assistance.

The Extradition Act 1972 provides the following procedure for the rrender of a fugitive:

- Requisition for surrender of a fugitive has to be made to the Federal Government through diplomatic representative in Pakistan or Pakistan's mission abroad or through other agreed channel (Section 6).

- Federal Government may, if it thinks fit, conduct an enquiry through a First Class Magistrate having jurisdiction (Section 7).

- On receipt of an enquiry order, summon or warrants of the arrest of the accused will be issued in accordance with Pakistan's law. The Magistrate's enquiry should be according to the procedure of a Court of Session and should consider all evidence produced in

support of the requisition and in favour of the fugitive to show that offence is of a political character and is not an extradition offence (Section 8).

- Section 9 provides a list of documents that can be produced as evidence in support of the requisition.

- If the enquiry report established that a prima facie case has not been made in support of requisition for the fugitive, he would be discharged. If charges are established a report would be sent to the Government and the fugitive would be committed to prison subject to any provision related to bail to await the orders of the Federal Government (Section 10).

- If the Federal Government decides to surrender the fugitive, it may issue a warrant for the custody and removal of the fugitive for his delivery at a place and to a person to be named in the warrant. The delivery is to take place only after 15 days of issuance of the warrant (Section 11).

- If a fugitive is not delivered for two months, the High Court may consider the request of the accused for discharge (Section 12).

- In case of request of extradition by more than one treaty State, the Federal Government may decide to surrender the fugitive to such State, as it may think fit (Section 14).

Sub-paragraph 3 (c):

Q.30 Could Pakistan please provide a list of the extradition and mutual legal assistance treaties to which it is party.

A.30 Pakistan is a party to extradition treaties with the following countries:

Sl. No.	Country	Date of Adoption of the Treaty	
1.	Argentina	20.2.1973	Adopted Under Ministry of Foreign Affairs SRO No.211(1)/73 dated 20.2.1973.
2.	Belgium	20.2.1973	-do-
3.	France	20.2.1973	-do-
4.	Greece	20.2.1973	-do-
5.	Switzerland	20.2.1973	-do-

6.	U.S.A.	20.2.1973	-do-
7.	San Marino	20.4.1980	Adopted Under Ministry of Foreign Affairs SRO No.427(1)/80 dated 20.4.1980
8.	Monaco	20.4.1980	-do-
9.	Netherlands	20.4.1980	-do-
10.	Denmark	20.4.1980	-do-
11.	Austria	20.4.1980	-do-
12.	Yugoslavia	20.4.1980	-do-
13.	Iraq	20.4.1980	-do-
14.	Ecuador	20.4.1980	-do-
15.	Portugal	20.4.1980	-do-
16.	Luxembourg	20.4.1980	-do-
17.	Columbia	20.4.1980	-do-
18.	Liberia	20.4.1980	-do-
19.	Cuba	20.4.1980	-do-
20.	Italy	20.4.1980	-do-
21.	Iran	20.4.1959	
22.	Turkey	30.8.1983	
23.	Saudi Arabia	03.4.1983	
24.	Maldives	12.7.1984	
25.	Egypt	23.8.1994	
26.	Australia	16.3.2000	
27.	Uzbekistan	25.1.2001	

Sub-paragraph 3 (e):

Q.31 Please outline the provisions of domestic law which give effect to the nine relevant international conventions and protocols relating to terrorism to which Pakistan is already a party and which are mentioned in the report.

A.31 The issue is under examination.

Q.32 Please provide a "progress report" on the ratifications of the relevant international conventions and protocols relating to terrorism which Pakistan has not yet ratified.

A.32 On 26 June 2002, the Federal Cabinet gave the approval for the following:

i) Pakistan's accession to the "International Convention on the Suppression of Terrorist Bombings."

ii) Pakistan's signature of the "Organization of Islamic Countries Convention on Combating International Terrorism."

The instruments of accession and signature in respect of the above Conventions will be deposited shortly.

Pakistan will ratify the "Convention on the Marking of Plastic Explosives for the Purpose of Detection", once the technical requirements for its ratification are met.

The International Convention for the Suppression of the Financing of Terrorism, is being examined by an inter Ministerial Committee.

Q.33 Have the crimes set forth in the relevant international conventions and protocols been included as extraditable offences in the bilateral treaties to which Pakistan is a party?

A.33 Pakistan is bound by the relevant articles of those Conventions and Protocols which stipulate that the offences set forth in the relevant international Conventions and Protocols are deemed to be included as extraditable offences in any extradition treaty existing between States Parties and any extradition treaty to be concluded between them.

Sub-paragraph 3 (g):

Q.34 Please outline the legislation, procedures and mechanisms which give effect to this sub-paragraph. Please clarify whether political motivation is recognized as a ground for refusing requests for the extradition of alleged terrorists.

A.34 Pakistan provides refugee status to only those individuals who are registered with the United Nations High Commissioner for Refugees (UNHCR). In this context an agreement was concluded with UNHCR in July 2001 for joint screening of Afghan refugees. Further details for admission of foreigners into Pakistan can be seen in the replies to questions 21 and 26.

Section 5(2)(a) of the Extradition Act 1972 states that a fugitive shall not be surrendered if the offence in respect of which his surrender is sought is of a political character. However, for this, the Federal Government or the Magistrate or Court before whom the fugitive is produced, has to be satisfied that the requisition for his surrender has,

in fact been made with a view to his being tried or punished for an offence of a political character.

Paragraph 4:

Q.35 Has Pakistan addressed any of the concerns expressed in paragraph 4 of the Resolution?

A.35 Pakistan is a signatory of the UN Convention Against Transnational Organized Crime, which demonstrates Pakistan's commitment to fight transnational crime.

Pakistan has been in the forefront in the fight against narcotic drugs. At the national level, Pakistan has taken several legislative and institutional measures to combat the narcotics menace which has assumed alarming proportions in recent years. These include the following:

a. Establishment of the Narcotics Control Division to exclusively deal with drug related matters.

b. Establishment of an Anti Narcotics Force, a premier anti drug agency which is actively engaged in seizure of drugs as well as arrests and prosecution of drug traffickers.

c. Prevention of smuggling or transshipment of chemical precursors, particularly acetic anhydride, into Afghanistan.

d. Prevention of smuggling/transshipment of narcotics particularly opiates from Afghanistan into Pakistan.

e. Prevention of trafficking /smuggling of narcotics outside Pakistan.

f. Enactment of various laws that include death penalty for drug traffickers/ financiers and forfeiture of their assets.

g. Establishment of special courts having exclusive jurisdiction to try offenses cognizable under the Anti Narcotics Ordinance.

h. Effective measures to eliminate suspicious financial transactions through banks and other financial institutions.

Pakistan has strongly supported international efforts to combat the illicit drug problem. Pakistan is a party to all the three UN Conventions ,

namely, the 1961 Single Convention on Narcotics Drugs, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Convention against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances. In August 1999, Pakistan also ratified the 1972 Protocol amending the 1961 Single Convention on Narcotic drugs.

In the regional context, Pakistan is a party to the SAARC Convention on Narcotic Drugs and Psychotropic Substances and the ECO Protocol against drugs. Pakistan has also been actively involved in the setting up of an ECO Committee on Narcotics Control.

At the bi-lateral level, Pakistan has an on-going arrangement with a large number of countries for exchange of information on drug-related issues.

As a follow-up to the implementation of the outcome of the 20th Special Session of the UN General Assembly, the Government of Pakistan, with the active collaboration of United Nations Drugs Control Programme(UNDCP), private sector, as well as relevant NGO's, launched its Master Plan for Drug Abuse Control in February 1999. The major focus of the Master Plan is on demand reduction and involves public awareness about the negative effects of drugs through print and electronic media, preventive education campaigns through training of teachers and social workers and establishment of mobile drug information teams to reach rural and remote areas.

Pakistan is a State Party to the Chemical Weapons Convention and the Biological Weapons Convention. These treaties completely prohibit the development, stockpiling and use of chemical and biological weapons. As a State Party, Pakistan is in full compliance with its Treaty obligations. Pakistan also supports international efforts to implement the provisions on cooperation contained in these Treaties, which inter alia, would also strengthen the goals of Resolution 1373.

Pakistan's national authorities responsible for physical protection of its nuclear material, implement internationally agreed guidelines for the safety of nuclear materials and facilities. Pakistan has established fail-safe procedures in the area of nuclear materials safety with oversight of highly responsible national organizations.

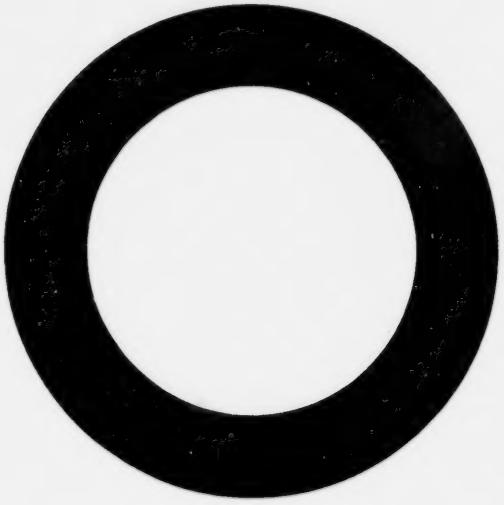
In the area of arms trafficking, the Government of Pakistan is implementing a serious and long-term programme of de-weaponisation. Eliminating illicit trade in small arms and light weapons is an essential goal of this programme. Pakistan also participated actively in the UN Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects held in New York in July 2001 and will continue to support

the Programme of Action adopted by the Conference, which also provides for international cooperation on this issue.

Other matters:

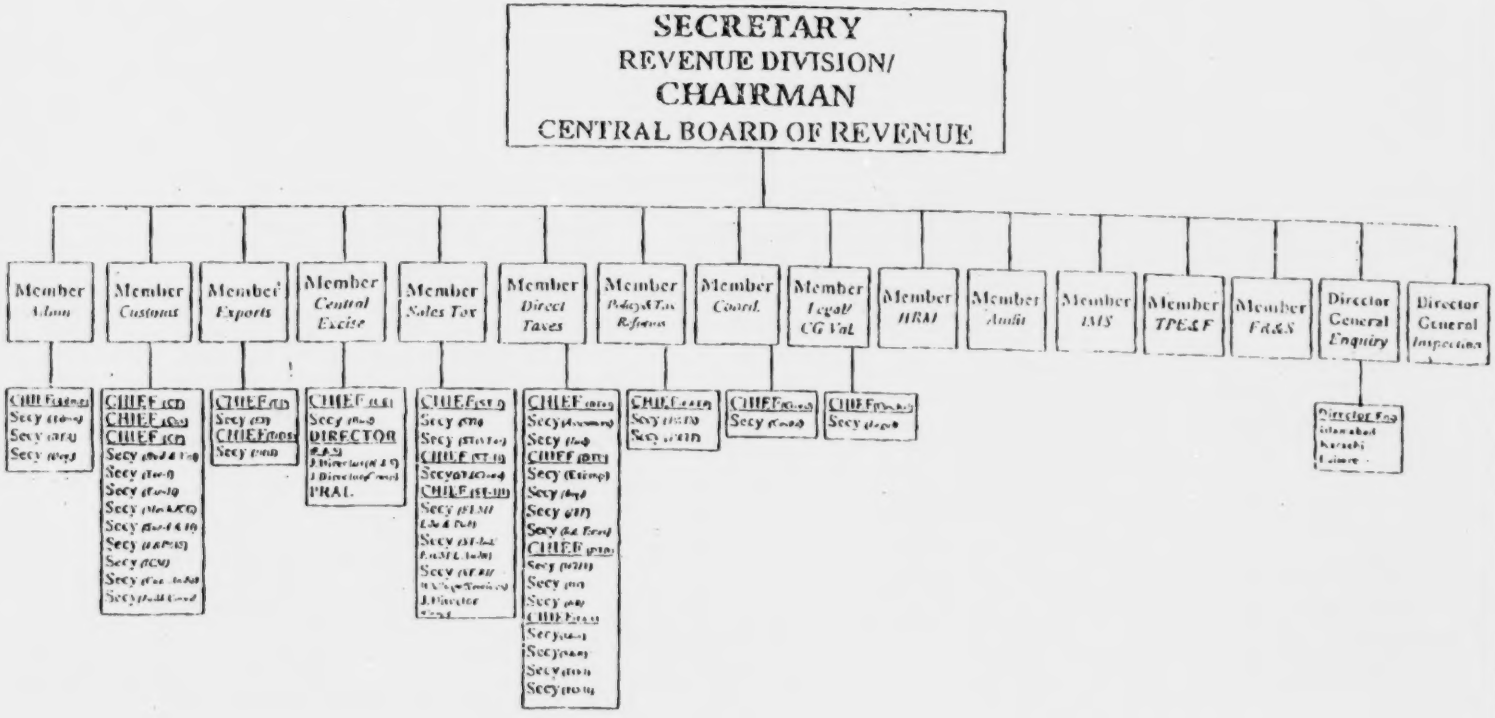
Q.36 Could Pakistan please provide an organizational chart of its administrative machinery, such as police, immigration control, customs, taxation and financial supervision authorities, established to give practical effect to the laws, regulations and other documents that are seen as contribution to compliance with the Resolution.

A.36 Organization charts are enclosed.



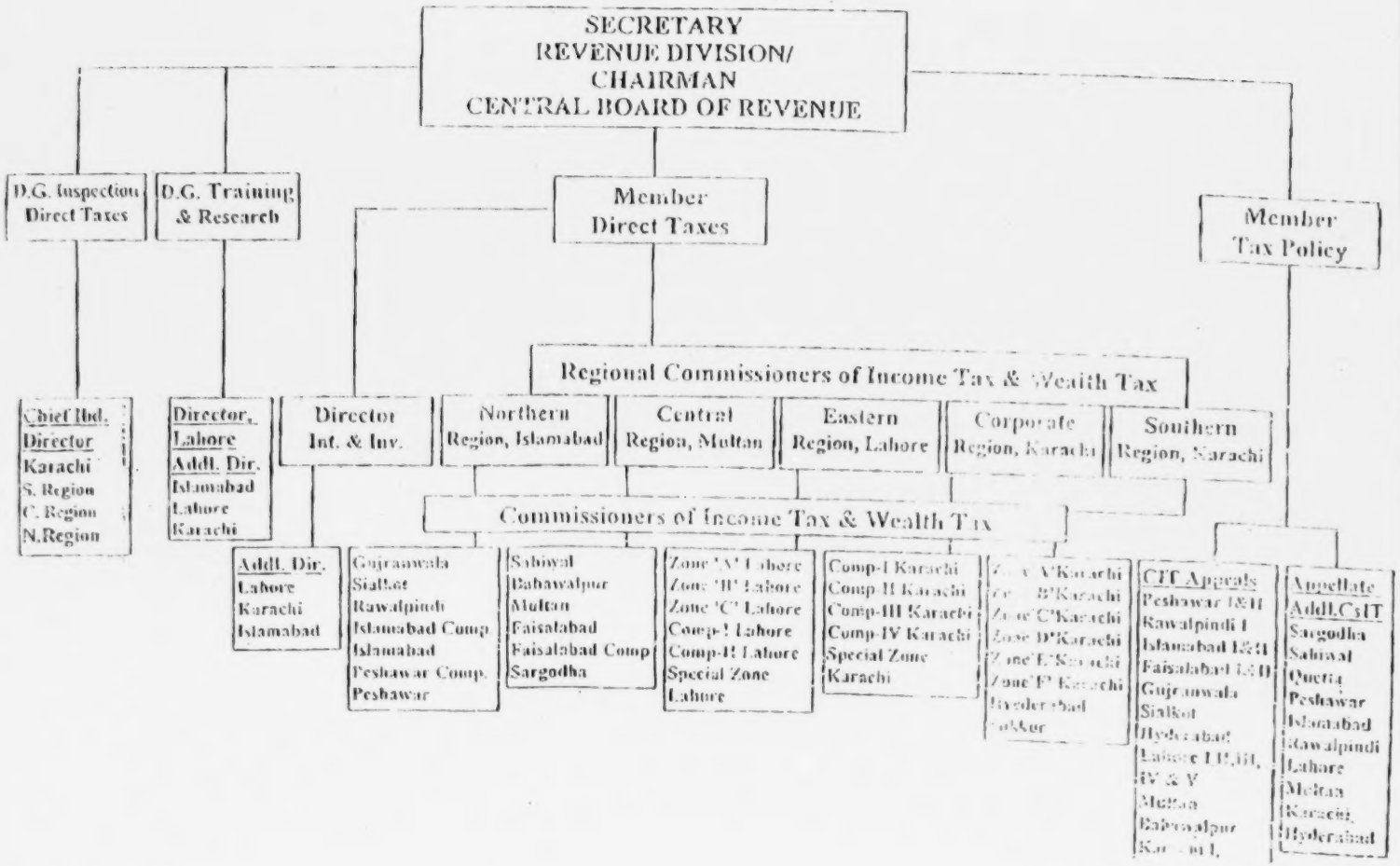
ORGANIZATIONAL CHART OF CENTRAL BOARD OF REVENUE/REVENUE DIVISION

(As on 15th May, 2002)



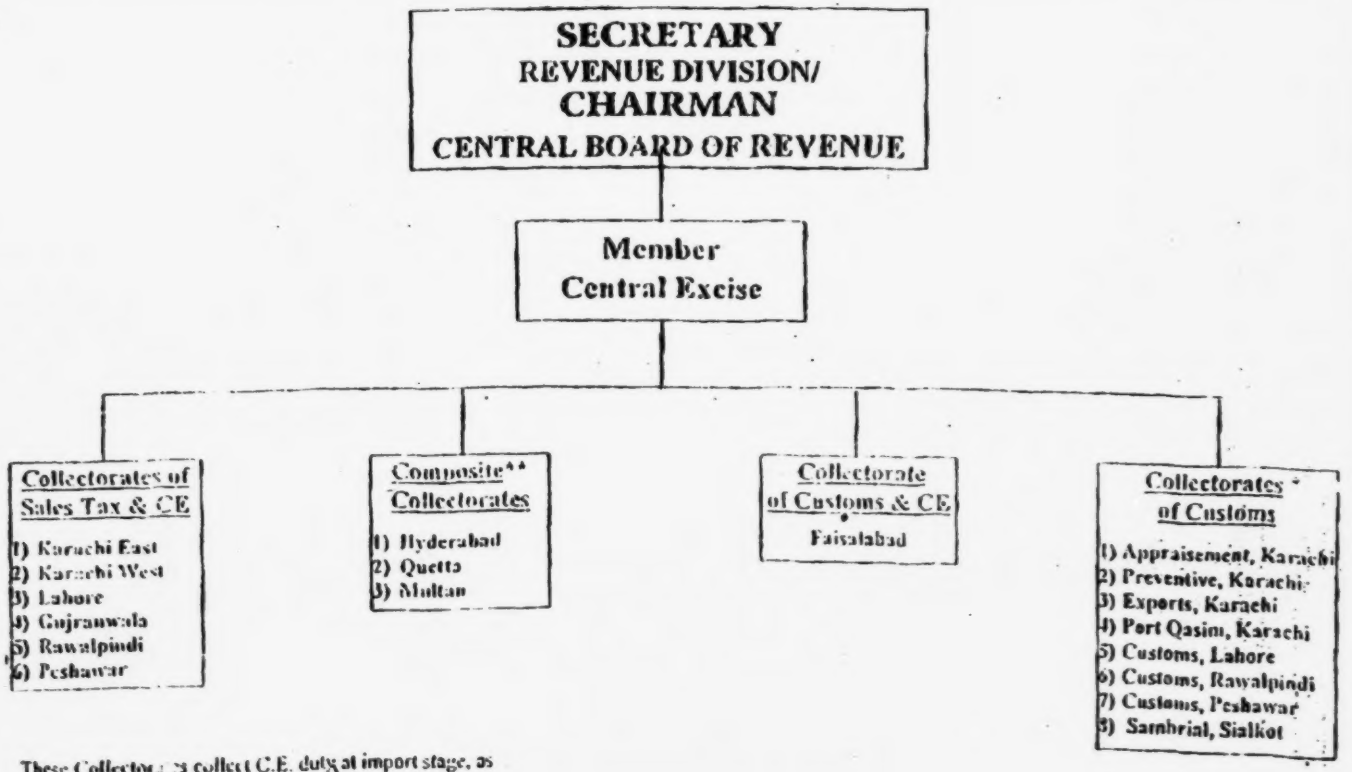
SZ2002/741

ORGANIZATIONAL CHART OF INCOME TAX DEPARTMENT



S/2002/797

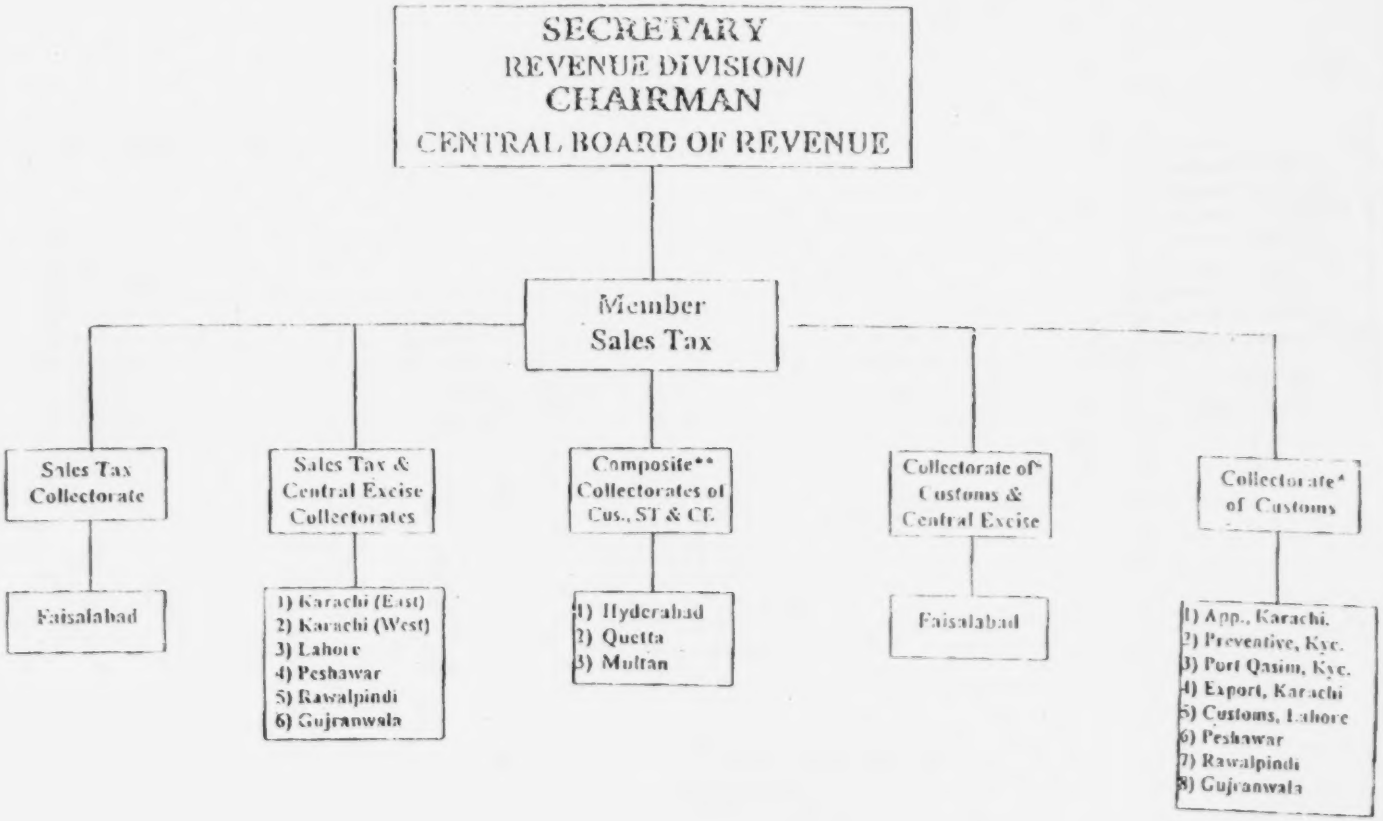
ORGANIZATIONAL CHART OF CENTRAL EXCISE DEPARTMENT



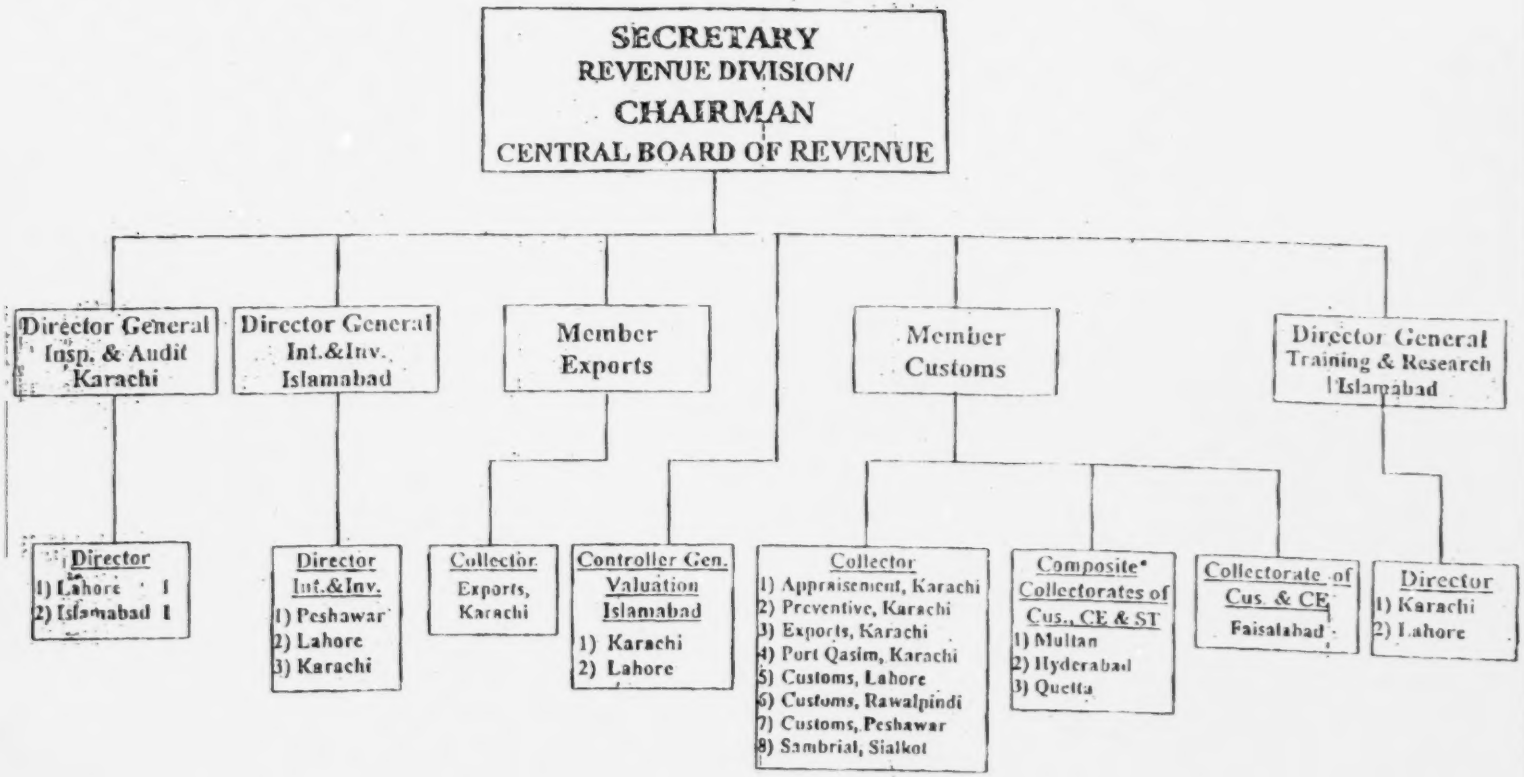
These Collectorates collect C.E. duty at import stage, as

SI/2002/797

ORGANIZATIONAL CHART OF SALES TAX DEPARTMENT



Organizational chart of the Customs Department



The Composite Collectorates collect Customs Duties, Sales Tax & Central Excise Duties and are administered by Member (C.E)

S/2002/791